Copies from

B Class
Karnatak

1952-53 File No. I HS 1152/1153

B class Karnatak

DEPARTMENT 921 Rev(LT) dt 25/2/57

BRANCH F.

Subject:— Industrial Housing Scheme

P 58 E

For perusal in the first instance

Revenue 26/2/57

B Class
Karnatak

I.S. class

Karnataka

Rev(LT) — I.S. Instl. 159 dt 22/2/57

As no action is called for this will be filed and kept for reference in the Branch

Sri K.R. 30/4/57

Secy 15/5

File No. I HS. 1152/1153 (Revenue 30/4/57) (Lay) 30/4/57

Std. Sectt. Slip 24-A

B — dt 31/5

(iv) Re rent increase above G of I figure

pp. 23-25 show that an increase of about

Rs.3/- per tenement is required. This is so

if interest rate for sinking fund is 3½%)

at 3% the increase is about Rs.2-8- .

This is a small amount and G.of I should be

informed of it. G. of I . has agreed to the

small hike. Hence there is no revenue shortfall

for Bombay State.

Finance Department III.

Resubmitted in continuation of the office note dated 13th December 1952.

2. Please ~~the~~ see the P.W.D's office notes dated 19th Dec. 1952 and the Secy., P.W.D's note below it. F.D. may have no objection to the G. of I being informed as proposed by the Secy., P.W.D. in response to that Govt. letter No, HS.5mA (6)/52, dated 8th December 1952 subject to the following remarks.:-

(1) The P .W. D. file referred to at 'X' on p. 17 ante, has been submitted through Br. V to U.S. (B) on 22.12.52, On these papers office has accepted the P .W.D. proposal to utilise the loan of Rs.44 lakhs granted by the G. of I. in 1951-52 as follows :-

Rs. 38½ lakhs for the works regarding industrial housing ~~instructions~~ being taken up and

Rs. 5 ½ lakhs to be diverted for works under the G. of O's new scheme.

Presumably,

(2) the lands at Chembur and Kurla and Ahmedabd to be covered by the Scheme are already availabl vide Para. (5) of the Housing Commr's. letter dated 16-12-52). If they are already

acquired no loan or subsid y is available from the Central Government on account of their cost under the new scheme.

(3) In the rent statements on pp.23-25 ante the provn. for Sinking Fund has been made at 1.33 % on G. of I's loan amounts. This is calculated on the basis of 3 % rate of improvement and 4 years as period of repayment. On other P.W.D. papers this Dept. has suggested that the rate of improvement in such cases may be 6% ~~xx~~ - 3% as against the G. of I's suggestion to calculate it at 2% (under the ~~dd~~ scheme) scheme reasonable

(4) Theestatablishment charges on the Housing schemes are borne by the State Govts. as per para 15 of the G. of I's. new shheme. Attention is in vi ted to 'A' of the Secy. P. W.D. note dated 8.12.52. If the Cabinet has specifically agreed that the establishment charges should come as State Govt.'s direct subsi dy under the Central Govt's Scheme F.D. may have no objection. But the expdre. on establishment on these construction works i s not small and so far as t e present housing programme is concerned the establish ment charges at anout 10% of the estimated cost would come to Rs.6.22 lakhs whi ch will have to be treated as our subsidy and which willbe a dead loss to this Govt. Since this Govt. has tob ar substantial expdre. on account of establishment charges specific sanction of Government re: A on p 10 anti will have to be obtained by the P.W. D. if not already done so far.

(5) As regards par. (11.1) of the Secy. PW.Dis note dated 20-12-52, it may be stated that it is

doubtful wh ther Govt. of Indi a will agree to give a direct loan to the Bombay Housing Board. The G. of I. do not generally give direct loans to such local bodies. Recently, while granting loan to this Govt. for specific schemes of the Bombay Municipal Corporation connected with providing facilities for Oil Refineries the Govt. of India has p ointed out that is is not possible to give any direct loan to that body. In view of this the suggestion made by the P.W.D. in the concluding portion of its office note dated 17th December 1952 is not feasible. The Govt. of India will grant the proposed loan to this Govt. The P.W.D. will have to take necessary steps to see that the loan when drawn up is passed on to the Bombay Housing Board and is utilised by the Board during the current year.

3. The receipt of loan from the Govt. of India will be credited to the major head "Loans from the Central Govt. " The payment of loans to the Bombay Housing Board will be debited to the major head "Loans and Advances by State Govt. " In the current year's budget following provisions have been made for loans to the Bombay Housing Board under "Loans and Advances by State Govt. "

Rs. 26,52,000/-. Supply demand sanction by L. A. in its last Session)p. 205 of the Supply. State of Expdre. for the year 1952-53 presented to L.A. in June 1952.

Rs.17 ,48,000/- Utilisation of savings in provisions made for loans for to cooperative Housing Societies.

Rs. 44,00, 000

The total loans to Bombay HousingBoard will, therefore, have to be lim-ited to this provisions mentioned above. Savings available under other minor headsunder "Loans and Advances by State Govt. " will be required for meeting excess expenditure on account of scarcity condigions prevailin in certain parts of the State. It will also not be possible to sanction any with drawals from the Contingency fund in view of the very small balance avai lable in that Fund. In the circumstances the only course would be ta advance loans to the Bombay Housing Board to the extent of Rs. 44 lakhs till the Second Supply. demand is passed by L .A. sometime in February. Till that time the Housing BOard should be requested to adjust the payments to the cash available with its plus the loan amount provided by Govt. in its budget estimates.

The Govt. of India have proposed to sanction total allotment of Rs.60 lakhs for construction of tenements for Industrial workers on certain terms and have asked for a programme for that purpose to be executed before 31.3.53. The H .H.D. proposes to construct 900 tenements at Chembur and Kurla and 725 tenements at Ahmedabad before 31-3-53 and the amount expected to be realised from the Govt. of India by way of subsidy and loan which will be Rs. 4500 for tenement Chembur and Kurlaand Rs.2,700 for tenement at Ahmedabad.

IHS 1152

Public Works Department.

'H'.

Submitted with reference to this Deptt. note dt. 10.12.52 and Secy.'s orders thereon.

2. Please see F.D. n'ting at pp. 27-32 ante.' The F.D. note at pp. 29-32 summarised that Deptt.'s view. That Deptt. has provisionally agreed to forwarding the proposed scheme worth Rs.62,20,650 to the Govt. of India for their approval for purposes of Rs.60 lakhs loan and subsidy inclusive of the estimated saving of Rs. 3 one third lakhs from the loan of Rs.44 lakhs granted by the Govt. of India under their former scheme in 1951-52 the rents in each case being increased by Re. 3-8 p.m. at least as suggested by Secy., to minimise the loss. That Deptt. has however suggested that the actual economic rents may be worked out taking into account establishment charges as part of the cost, U.I.P. taxes and 25 years basi for sinking fund purposes for Govt. of India's information.

3. Regd the payment of the amount of loan and subsidy that will be received from the Govt. of India to the Board the F.D. has stated that there are no balances in the Contingency fund and that therefore loans for the scheme will have to be granted from the existing provision for loans to B.H.Board (Rs. 26,52 lakhs) and the estimated saving from the provision for loans to Cooperative Housing Societies (Rs. 17 lakhs) . The Board may also utilise any balances it may have for the purpose . The difference (Rs. 62 lakhs --Rs. 26,52 lakhs -Rs.17 lakhs) will be later granted by a supply grant in the Feb.-sesrion. No direct grant of loan and subsidy by the Govt. of India to the Board is feasible.

4. Out of the current year's budget provison

of.....

of Rs.26.52 lakhs the Board has informed Govt. separately that it would require Rs.21 lakhs for Current works in progress (2 schemes at Bombay and Ahmedabad minor works improvements to existing bldgs. etc.). There will thus be only a balance of Rs.5 lakhs available from the budget provision for "Loans to B.H.Board for the proposed new works. Under "Loans to C.H.Societies a saving of Rs.28 lakhs is expected which can be used for the new works. It is not known what cash balances the Board has. It seems that the amount of Rs.33 lakhs (Rs. 28 lakhs plus Rs. 5 lakhs) would be sufficient till the supplementary grant is sanctioned in Feb. 1953.

5. Regt "C" of the F.D.'s note at p. 28 ante. It seems from the proceedings below that the Cabinet had agreed to State Govt's. bearing the Estt. charges as its subsidy for Industrial Housing.

6. Rent statements showing economic rents based on the suggestions made by the F.D. are attached herewith. The G.of I. may be informed of the same and also that this Govt. would only charge Rs. 3-8-0- above the maxima fixed by them (Rs. 17-8-0 p.m. in multi-storeyed bldgs. at Chembur- Kurla and Rs.10 p.m. in single storeyed bldgs. at Ahmedabad treating the shortfall as State subsidy.

7. Regt para 2(2) of the F.D. note dated p.28 ante, the lands at Chembur and Kurla are Govt. lands only land development cost has been included in the capital cost. A'bad land is under acquisition and its cost is included in the capital cost. A'bad land is under acquisition and its cost is included in the capital cost. The G of I were informed of this and they have agreed to the costs.

8. After Govt. approves of the proposals made by this Deptt., draft letter to the G. of I. will be put up

1) Loan and subsidy of 60 lakhs to be accepted from G. of I.

2) Tenements to be undertaken as per schemes
900 at Chembur and 725 at Ahmedabad.

3) Apart from establishment which is already engaged and provided for in the 5 year plan capital shortfall to be made up is 2-13 lakhs. This cannot be found from Board's funds under this year's savings.

4) The amount of 5 one third lakhs from Government of India's previous loan which remains uncovered by equivalent Housing may be adjustment against the loan under (1).

5) Government of India has clearly permitted increased rents Increase of Rs.3-8-0 per tenement to be intimated to the Government of India over Rs.17-8-0- for Bombay and Rs.10 for Ahmedabad proposed by the Government of India.

6) Economic rent to be intimated as at pp. 35-37 of this U.I.P. tax in fact returns to Bombay Government. Establishment is to be over subsidy. No other subsidy is involved if rents are levied as under (5). Please see pp. 23-25- (25 year period of sinking fund instead of 40 years will be balanced by lesser need of maintenance and repair in the early part than in the later.)

7) The property with land rests in Bombay Govt, fully paid up, after 25 years and acrues as net capital asset to Bombay State.

8) proposals have been generally approved by F.D. They may be accepted. Early reply to the Government of India is necessary.

7/1/53.

Copy forwarded to the

Minister of Housing (Sd) 7-1

Minister of Finance. (Sd) 7-1

C.M. (Sd) 8-1

P.T.O.

I H S /1152

H. Br. Public Works Department.

Submitted with a draft for approval.

10/1/53

I H S / 1152 / 3788

Public Works Department.

S.No. 3788-

Please see letter dated 10-1-53 to the Government of India. The Government of India's approval to the proposed scheme may be awaited.

12/1/53.

Assistant Secretary. II.

X.D.
22/6.

AHMEDABAD.

Per tenement.	(725 tenements.)	
Cost of construction.	Rs. 2,609-0-0	
Add 7½% (approx.) establishment charges	Rs. 195-0-0	
	Rs. 2,804-0-0	------
Cost of land.	Rs. 385-0-0	
Add 2% establishmen charges.	7-11-0	
	Rs. 392-11-0	-----B
Total cost (A plus B)	Rs. 3,196-11-0	---C
Government of India subsidy (on maximum cost of Rs. 2,700)	Rs. 1,350-0-0	----D
Government of India loan.	Rs. 1,350-0-0	---E
Rateable value.		
(1) Interest on Government of India loan of Rs.1,350 at 4½%.	Rs. 57-6-0	
(2) Interest on this Governments share of (Rs. 3,196-11-0 -Rs. 2,700-0-0 and Rs. 496-11-0 at 4½%)	Rs. 21-1-8	
(3) Sinking fund at 2.74% on Govt. of India loan (E)	Rs. 37-0-0	
(4) Repairs and Maintenance at 1.5% on cost of building (A)	Rs. 42-1-0	
(5) Management at 0.5% on total cost (C).	Rs. 16-0-0	
Total.	Rs. 173-8-8	
(6) Taxes (including U.I.P. Tax) at 24½% (i.e. gross-10%)	Rs. 50-5-10	
	Rs. 223-14-6 per annum.	
Rent per month.	Rs. 18-10-6 per month.	

A.D.
22/6.

GOVERNMENT OF INDIA
MINISTRY OF WORKS, HOUSING AND SUPPLY.

No. H-5-A (6) /52 NEW DELHI, Dated the 8th December 1952.

From

Shri C. Jagathpathi, IAS,
Under Secretary to the Government of Bombay, India,

To

The Secretary to the Government of Bombay,
Public Works Department,
BOMBAY.

SUBJECT :- Subsidized Industrial Housing Scheme.

Sir,

I am directed to refer to your letter No. 2244/48-G, dated the 13th October, 1952, and to state that it will not be possible for the Governmentof India to agree to an allocation of about Rs.3.90 crores to the Bombay State When the total existing provision for loans and subsidies to State Governments as a whole under the Subsidized Industrial Housing Scheme is only about Rs.3.74 crores for the current year. You will appreciate, therefore, that the demand made by the Bombay Government will have to be considerably reduced. It may, in this connection be recalled that certain adjustments relating to the loan of Rs.75 lakhs given by the Government of India under the old Ministry of Labour Scheme in 1950-51 are still being examined by the Ministry and that another loan of Rs.44 lakhs granted under the same Scheme in 1951-52 ~~xxxxxxxx~~ is lying unspent by the Goernment of Bombay, even though it has been drawn You are, therefore, requested to be good enough to to give to this Ministry the exact figures relating to the unspent balances of the loans. In regard to houses built under the old Schemes, details regarding location, cost, rates of rent recovery etc. may also be supplied

2. In view of what has been stated above, it is proposed that the total loan and subsidy this year to the Government of Bombay may be about Rs.60 lakhs which will include any unspent balances of the old loans that may be lying with the Government of Bombay, You, therefore, requested review the matter and sendsuch schemees as would add up to a total cost of Rs.60 lakhs representing work which will be completed in the

P.T.O.

3/C

current financial year. You will realise tat here are a number of competing demands on very limited resources of the Goernment of India so that it becomes very essential to insist that a State Government only forwards to this Ministry suc schemes as it feels will be implemented by the end of the financial year. It may also be made clear whether any of te schemes which you submit to the Government within the total cost of Rs.60 lakhs have been partly executed under the old loan disbursed by the Government of India. If so, you are requested to indicate the actual amount so far spent and the progress on the work so far made.

3. The Government have re- examined the case relating to the loan and subsidy about the Chembur Scheme and agree that the loan and subsidy may be alculated on the basis of a maximum of Rs.4,500 per tenement.

4. In para 4 of your letter referred to earlier, it is pointed out that owing to high construction costs prevailing in Bomb State, a little higher rent than mentioned in the Scheme of the Government of India would be justified. After considerable hesitati n the Governmentof India would be reluncatnly prepared to agree to a slightly higher rent being charged as suggested. but final aproval of this will be given when the Schemes to be submitted by you totalling Rs.60 lakhs indicate the actual co.struction costs and the actual rents that you propose to charge.

5. I am go add that in case money becomes availbale under the Subsidized Industrial Housing Scheme after disbursements to the State Governments, it may be possible to increase the allocation for the Bombay Government to figure higher than Rs. 60 lakhs, f circumstances justify.

6. Government of Bombay are requested to expedite their proposals in light of the suggestion made above.

Yours faithfully,

(G. JAGATPATHI)

UNDER SECRETARY TO THE GOVERNMENT OF INDIA.

.D. Best to take up Kurla &
1/6. Chembur part and Ahmedabad part.
Secre ary. 11/22.

IMMEDIATE.
No. IHS 1152 H.

Public Works Department,
Bombay Castle (Bombay No. 1)
January 10th 1953.

To

The Secretary to the Government of India,
Ministry of Works Housing Supply,
New Delhi.

Subject:- Industrial Housing

Sir,

I am directed to refer to the correrspondence resting with this G.L., P.W.D. No. IHS 1152/125725-H, dt. the 31st December 1952 on the above subject and to state that on the basis of the amount of Rs.60 lakhs loan and subsidy offered by the Government of India to this state for the current year for industrial housing vide their letter No. H-5-A (6) /52, dated the 8th December 1952 the following schemes for industrial workers housing proposed to be undertaken in this year and completed ~~xxx~~ early if sanction is received in good time.

Site	Total No. of Tenements.	Total Cost.	Cost of tenement.
1) Chembur & Kurla-Bombay- (Nos. 60-71)	450	Rs. 20,25,000	Rs. 4,500
2) Chembur, Bombay (S. Nos. 14).	450	Rs. 20,25,000	Rs. 4,500
3) Malak Satan Lands Ahmedabad.	725	Rs. 21,70,650	Rs. 2,994
	1,625	Rs. 62,20,650	

The cost above is exclusive of the establishment charges. As the Govt. of India have already agreed to the cost of Rs. 4,500 per tenement for Chembur-Kurla captial cost ~~xx~~ to the extent of Rs. 60 lakhs for the above schemes, will be covered by the promised subsidy and loan from the Govt. of India, the remaining cost of Rs.2,20,650 as also the overhead charges being borne by the State Govt. Plans and specifications for the above tenements

are....

and other details reg. land are the same as those already forwarded to the Govt of India under this Govt. Letter No. 2244/48-G, dated the 13th October 1952. The economic rents for the tenements as worked out according to the formula prescribed by the Govt. for the other housing constructed by the B.S. Board come to Rs.28-8-10 P-M- for Chembur and Kurla and Rs. 18-10-6 P.M. for Ahmedabad statement attached. As however the State Govts. are required to bear the entire Estt. charges as their subsidy for Industrial housing this Govt. is agreeable to charging an additional Rs.3-8-0- P.M. only above the maxima prescribed by the Govt. of India (Rs. 17-8-0 P.M. in multistoreyed buildings and Rs 10-0-0 P.M. in single storyed Bldgs that is subsidised rents chargeable would be Rs. 21-0-0- P.M. for Chembur and Kurla tenements and Rs. 13-8-0 P.M. for Ahmedabad tenements. In effect this Govt. will in addition to the capital shortfall also bear a subsidy of Rs. 7-8-10 per tenement for Chembur and Kurla and Rs.5-2-6 per tenement for Ahmedabad ~~xx~~ by way of severe revenue shortfall. This revenue shortfall is very much than the establishement charges referred to above would warrant.

I am request you kindly to move the Govt. of India to ~~xxxxxx~~ approve the schemes and the subsidised rents proposed above. The Govt. of India's proposal may pl. be communicated to this Govt. early so that the schemes could be undertaken and completed within the short time at the disposal of this Govt.

2. In the Govt. of India letter dt. the 8-12-1952 quoted above it is stated that the loan and subsidy of Rs. 60 lakhs will be inclusive of unspent balances from previous loans. This Government had received loans amounting to Rs.75 lakhs and Rs.44 lakhs in 1950-51 and 1951-52 respectively under the 1949 Industrial Housing Scheme of the Central Govt. . The first loan of Rs. 75 lakhs had already been utilised fo industrial housing at various places at Bombay and Ahmedabad vide this G.L's. Labour & Housing Deptt., No. 705/48/17633 E, dated the 14th June 1951 No. 705/48/45211 E, dated the 14th Feb. 1952 and No. 705/48 G, dated the 6th October 1952 and there are

no unspent balances from the loan. A comprehensive note on the subject was forwarded to the Governmentof India under D.O. letter (Confl.) No. IHS 1152/110775H, dt. the 6th December 1952, from Dr. Jivraj Mehta, Minister for Finance, Govt of Bombay to Shri Rangnathan. As required under Govt. of India, Ministry of Works, Housing and Supply letter No. 2358-H-52, dt. the 12-11-1952, details reg. the industrial workers who have been allotted the tenements constructed under the Govt. of India loan of Rs. 75 lakhs e.g. cost per tenement rents and their relation to the total income of the workers etc. are being collected and will be sent to you shortly.

3. As reg. the loan of Rs.44 lakhs two schemes for industrial housing at Bombay and Ahmedabad have been under taken on the basis of the loan. These schemes are already in progress. The cost of the works is estimated at Rs.38,23,860 for construction of 720 tenements at Bombay and Rs.4,19,000 for 120 tenements at Ahmedabad. Progress reports reg. the schemes are sent every month to the Govt. of India. Adding the cost of land and overhead charges the total cost of the schemes comes to Rs.53 lakhs. The Govt. of India share of the capital cost (two third according to the 1949 scheme.) will be Rs. 38 two third lakhs. There will thus be a balance of Rs.5 one third lakhs from the loan of Rs.44 lakhs which balance can be diverted to housing under the new Subsidised Industrial Housing Scheme. The two current schemes cannot be brought under the new Scheme as the costs are high. Details of the current Scheme will be forwarded shortly to the Govt. of India.

4. In view of the position explained above, I am to request that an amount of Rs. 54 two third lakhs (Rs. 60 lakhs minus Rs. 5 one third lakhs may please be placed at the disposal of this Govt. immediately to enable it to start the schemes mentioned in para 1 above.

I.D.
21/6.

P.T.O.

6. The favour of every early reply by telegram if possible is solicited.

Yours faithfully,

Under Secretary to the Government of Bombay
Public Works Department.

D.A.---Nil. Copies of 2 statements referred to.

Copy with accompaniments forwarded with compliments to :
the Secretary, Bombay Housing Board.
the Fina nce Department.

for information.

10/1/53.

X.D.
21/6.

Government of India

Ministry of Works, Housing and Supply.

No. H. 6. A (6)/52. Dated New Delhi, the 11th Feb. 1953.

From

Shri H.P. Dube, M.A. (Cantab),
Deputy Secretary to the Government of India.

To

The Secretary to the Government of Bombay,
Public Works Department,
Bombay Castle,
Bombay No. 1.

Subject: SUBSIDISED INDUSTRIAL HOUSING SCHEME.

Sir,

I am directed to refer to the correspondence ending with your letter No. I.H.S. 1152-H, dated the 10th January, 1953, on the above subject and to say that the Government of India are pleased to approve the plans and specifications forwarded by you under your letter No. 2244/48-G, dated the 13th October 1952 for the tenements to be constructed by your Government under the above Scheme. It should, however, be clearly understood that his approval is no guarantee to the structural safety of the tenements that may be constructed by the State Govt. under the Scheme. That aspect is clearly the responsibility of the State Govt. and of the constructing authorities employed by it.

2. Sanction of the President is also hereby accorded to the grant to your Government of a subsidy not exceeding a sum of Rs.30,03,750/- (Rupees Thirty lakhs three thousand seven hundred and fifty only) and a loan not exceeding a sum of Rs.30,03,750/- (Rupees Thirty lakhs three thousand seven hundred and fifty only) for the construction of 1625 tenements

Multi- Storeyed tenements at Bombay...900
Single- storeyed tenements at Ahmedab 725 as noted in the margin,
1625

on the terms and condions set out in the "Government of India Subsidised Industrial Housing Scheme, 1952-53." The loan and subsidy has been worked out as follows:.

P.T.O.

The maximum cost of construction accepted for the purpose of calculating loan/subsidy.

(1) 900 tenements at Bombay @ Rs.4500 /- per tenement. ...Rs. 40,50,000

(2) 725 tenements at Ahmedabad, @ Rs.2700 /- per tenement. ...Rs. 19,57,500

Rs. 60,07,500

Loan @ 50% ... Rs. 30,03,750

Subsidy @ 50% ... Rs. 30,03,750

3. Approval is also hereby accorded as a very special case to the recovery of rent ~~xxxxxxxxx~~ in respect of the tenements constructed by your Government under the Scheme at rates not exceeding the following :-

Multi-storeyed tenements a t Bombay. .....Rs.21/- p.m.

Single storeyed tonements at Ahmedabad .....Rs.13/8/- p.m

4. The loan and subsidy are payable to the State Govt. as follows :-

Loan in respect of Bombay tenements.

(a) 25% of the loan on the issue of the sanction and the acceptance by the Bombay Govt. of the terms and conditions contained in this letter.

(b) 25% of the loan at the stage of reaching the plinth level.

(c) 25% of the loan on reaching the ~~xxxfx~~ roof level of the grond floor and

(d) 25% of the loan on reaching the roof level of the first floor.

Loan in respect of Ahmedabad tenements.

(a) 25% of the loan on the issue of the sanction and the acceptance by the Bombay Govt of the terms and conditions contained in this letter.

(b) 25% of the loan at the stage of reaching the plinth level.

(c) 50% of the loan on reaching roof level

Contd.---

45/c

INDIA
GOVERNMENT OF/SUBSIDISED HOUSING ALLOTMENT RULES.

1. These Rules relate to the allotment to industrial Workers of houses constructed by Employers under the Government of India subsidised Housing Scheme.

2. Definitions. :

In these rules unless there is anything repugnant in the subject or content :-

(a) "Scheme" means the Government of India Subsidised Housing Scheme for Industrial Workers---1952-53.

(b) "Managing Committee" means the Committee constituted under clause 14 of the Scheme.

(c) "Chairman" means the Chairman of the Managing Committee.

(d)"Government" means the State Government concerned or an officer duly authorised by it.

(e) " Worker" means a worker as defined in the Factories Act, 1948, and in the bonafide employment of the Employer (or employers) concerned, constructing houses (individually or jointly as the case may be) under the Scheme.

(f) "Family" includes the wife or the husband, Children, step children parents brothers and sisters as are ordinarily residing and messing with him.

(g) " House" means a tenement constructed under the Scheme together with all installations and appurtenances attached thereto.

(h) "Wages" means the normal monthly wages earned by a worker including Dearness Allowance and other Compensatory allowances but excluding overtime pay bonus travelling allowance or the cost of any other facility provided like (C.P.F. gratuity on retirement free medical attendance etc.)

3. Constitution of the Management Committee.

(a) The managing Committee shall consist of :

(i) two or three representatives nominated by the Employer (or Employers)

(ii) an equal number of the representatives of the workers duly elected by ballot conducted by Government.

(iii) an official Chairman nominated by Government P.T.O.

b) For every meeting of the Managing Committee, the quorum shall be besides the Chairman, one-half of the total number of members subject to the condition that at least one each of the representatives of the workers and Employer (s) shall be present.

c) In the event of a difference of opinion votes shall be taken and opinon of the majority shall prevail; Chairman voting only in the event of a tie.

(d) The employer(s) shall provide the Managing Committee with such staff and assistance as the Committee may consider necessary.

(e) The members of the Managing Committee shall be appointed for 3 years but shall be eligible for re-appointment. Casual vancies arising during the period of 3 years shall be filled upin the same manner as for original appointment but for the remaining period only.

(f) The minutes of the meeting shall bekept in a separate book (known as the Minute Book) especially ppended for the purpose. The Minutes of each meeting shall be confiremed with such modifications as may be necessary at the next meeting and shall be signed by the Chairman.

4. Eligibility for Allotment.

The houses constructed by the employer (s) under the scheme shall be allotted only to such workers as are regular and bonafide employees of the Employer.

5. The allottees to Executive Agreements.

The allottee shall in all cases execute an agreement or undertaking in the prescribed for m in favour of the Employer(s) before occupying the house allotted to him to the effect that he is a licensee only in respect of the house and agreeing in all respects to be bound by these rules and by the terms and conditions of the allotment.

6. Order of Preference for Allotment.

A list shall be prepared by the Managing Committee of such workers whose salary is not more than Rs.250/-

13. The Government of India shall have the right to vary add to, cancell or amend all or any of these Rules.

A G R E E M E N T.

Certified that I have read the Rules governing the allotment of houses constructed by Messrs..... at.....under the Government of India Subsidised Industrial Housing Scheme 1952-53 or that the Rules have been explained to me and declare that the allotment to be made to me or already made to me shall be subject to these Rules and subsequent amendments if any thereto and the terms and conditions of the allotment and that I am a licensee only in respect of the house. When the house is no longer required by me or I cease to be entitled to it or the allotment is cancelled by the Managing Committee under the Rules I shall be responsible for handing over its vacant possession to the Managing Committee on expiry of the period as provided in the Rules and until such vacant possession is delivered rent ad other charges in respect of the house as may be determined by the Managing Committee shall be recoverable from me.

Signature.

Dated

Designation:

Name of Employer:

Witnesses.

1.

2.

AGREEMENT BETWEEN .....

AND

THE PRESIDENT OF INDIA

This AGREEMENT MADE THIS ..... day of

One thousand nine hundred and fifty ..... BETWEEN

..... a firm having its registered office

a company incorporated under

at.....

India Companies Act, 1913 and having its registered

_____ in the town of.....

and its main factory at ..... in the district

----- of the State of.....(hereinafter

referred to as the "the Loanee" which term shall unless

excluded by or repugnant to the subject or context

include partners of partner of the firm for the time
its successors and permitted assigns

being, heirs, executors, administrators, legal

representatives and permitted assigns of the last

surviving partner of the ONE PART AND THE PRESIDENT

OF INDIA hereinafter called "the Government",

which term shall unless excluded by or repugnant

to the subject or context include his successors and assigns

of the OTHER PART.

(i) WHEREAS for the purpose of constructing

tenements for housing the workers (for the purpose

of this agreement the word "worker" has the same

meaning as that given in the Factories Act 1948, as

amended from time to time) of the Loanee employed / or

to be employed by him in furture the Loanee has

approached the Government for a subsidy and / or a loan

not exceeding Rs. .....( ) and Rs.....( )

which respectively represent twenty five per cent

and / or thirty seven and a half per cent of the

estimated cost of the construction of tenements

including / excluding cost of land to build.....

One roomed tenements in single storeyed Buildings
One roomed tenements in multi storeyed Buildings.

(ii) AND WHEREAS the Government being satisfied

P.T.O.

that the proposed construction will be helpful in implementing the Governments scheme for giving an impetus to industbial housing with a view to relieving the acute shortage of houses intended for industrial workers has consented to grant for purposes mentioned above on terms and conditions hereinafter stated a subsidy not exceeding a sum of Rs.....
( ) or a sum equal to 25% of the actual cost of construction as certified in the manner provided in Clause 2 hereof which ever is less and / or a loan not exceeding a sum of Rs..... (

(iii) AND WHEREAS the plans and specifications submitted by the Loanee have been approved by the Government without any modifications / with some modifications suggested by the Government and agreed to by the Loanee as stated in the document herewith marked and annexed.

(iv) AND WHEREAS the Loanee has agreed to construct the said tenements strictly in accordance with the said plans and specifications with or without agreed modifications as the case may be ;

(v) AND WHEREAS the Government has required the Loanee to enter into ay agreement with him as hereinafter contained. NOW THIS AGREEMENT WITNESSETH and it is hereby agreed and declared by and between the parties hereto as follows :-

1. This agreement will remain in force from the date hereof till a period of 25 years has elapsed calculated from the date on which construction of the said tenements, is completed. For the purpose of this agreement the "date of completion" will be the date fixed by the Government or its authorised representative. as such date and he decision of the Government or its authorised representative in this behalf shall be final.

2. On the Loanee satisfying the Government that he is possessed of land on which the tenements shown on the plan annexed hereto and marked annexure A can be erected and built the Government shall pay to the Loanee the said loan of Rs.....( ) in the following manner :----

(a) When the construction of all Rs..... of the said tenements reaches at least plinth level or later;

(b) when the construction of all Rs..... or the said tenement reaches at least roof level or later;

(c) when the construction of all Rs.....or the said tenement is completed.

A subsidy not exceeding a sum of Rs.....(or a sum equal to 25 % of the actual cost of construction ofall the tenements which ever is less shall be paid on the Government receiving and accepting complete and detailed accounts duly audited and certified by a Chartered Accountant, relating to the cost of complete construction of all the said tenements.

3, The Loanee shall keep the amount received by him from the Government as loan from time to time as also the amount required to be contributed by him from time to time on account of the construction work of the said tenements in a separate banking account and he shall utilise the amount so deposited only for the purpose of the construction of the said tenements and to no other purpose. The loanee shall keep and maintain accurate and true accounts of all the monies expended by him on account of the Construction of the aforesaid tenements .

4. The Loanee shall, in constructing the said tenements adhere strictly to the plans and specifications annexed hereto and marked annexure B. The Loanee shall make no variations therefrom except with the

P.T.O.

previous consent in writing of the Government.

5. Upon the completion of the said tenement the Loanee shall allot them to his employees and to no person inaccordance with the rules of allotment as amedned from time to time . A copy of these rules is hereto as annexure C.

6. The Loanee shall commence the construction of the said t tenements on or before ..... day of ..... and shall ~~then~~ complete the same within a period of ..... months and..... day of from the date of these presents. The Loanee shall give intimation to Government in writing immediately upon the commencement of the construction and shall there after send detailed reports showing progress of work at the end of each month unless differently directed by the Government ~~xx~~ in that behalf.

7. The Loanee shallat the interval of every 3 months unless otherwise directed by the Government in this behalf furnish to the Government ~~xxxx~~ a duly certificed and signed statement of account showing the amounts spent by him on ~~xxxxxx~~ construction of the said tenements the first of such statement ~~xx~~ to be sent on ---..... The said statement shall be in such form and shall contain such particulars as Government may require. The Loanee shall, if so required by Government produce account books maintained by him pursuant to clause 3 hereof and vaouchers for purposes of verifications ~~xx~~ of such statements.

8. The Loanee shall provide every facility to the Government or its authorised reporesentative or representatives for the inspection of the said tenement while under construction as well as after construction for the prupose of verifying (1) that the expenditure incurred by the Loanee on the construction of the said tenement has been propertly incurred and (2) that the Loanee is observing and would continue to observe all the terms and conditions of the agreement.

9. The Loanee shall repay to the Govornment the fulll

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21/6.

amount of the said loan of Rs..... by fifteen equal yearly instalments commencing from the first day of ..... and shall until the whole of the amount of the loan is repaid to the Government pay interest on the said sum of Rs..... or for so much thereof as shall be advanced and shall for the time being remain due and unpaid at the rate of..... ( ) per cent per annum calculated from the day of the advance with half yearly interest payable on the 1st of April and the 1st of October each year. The first payment of such interest shall be made on the first day of .....

10. As security for (1) the repayment of the loan to Covernment and (2) for the observance by the Loanee of all the terms and conditions of this agreement, the Loanee shall mortgage with th Government his interest in the land u on which the tenements are to be constructed, and shall also hypothecate with the Govt. all building material purchased by him for the construction of the said tenements. Upon completion of the tenements the Loanee shall also execute a simple mortgage in favour of the Government conveying t the Government is interest s in the said tenements and land upon whic they are constructed as security for amount due to the Covernment under these presents.

11. The Loanee shall keept the said tenements in good and substa tial state of repair t th satisfaction of Government.

12. The rent which the Loannee shall charge to the allottee for the occupation of one tenement shall not exceed Rs.10/- (Rupees ten only) /Rs.17/8/- (Rupees seventeen and annas eight only) per month; this monthly rent shall be inclusive of municipal rates and taxes.

13. For the period of construction of the said tenements as also for the entire period of this agreement,

the Loanee shall keep the said tenements insured against fire. He shall pay the premium in respect of the said insurance, from time to time and produce the receipts for inspection by Government. In the event of a failure on the part of the Loanee to effect Government to insure the said tenements at the cost of Government and add the amount of the premium to the outstanding amount of theloan and the Loanee shall thereupon be liable to pay thereon interest as if the amount of premium had been advanced to him as part of the loan given under this agreement.

Any default either in effecting insurance or in the payment of premia thereof may at the absolute discretion of the Government without prejudice to the rights of the Government under this clause be considered a breach of this agreement within the meaning of clause 14 of these presents.

14. If the loanee shall make default in the punctual payment of any two consectutive instalments either of principal of, of interest or if the Loanee shall become insolvent or go into liquidation or if the Loanee shall fail to obwerve or erform any of the terms conditions stipulations herein contained and / or specified in the pamphlet "Government of India Subsidised Housing Scheme for Industrial Workers, 1952-53." (annexed to this agreement as annexure D) and on its part to be observed or performed then in any such case the whole of the principal amount of the loan or so much thereof as shall then remain due or unpaid as also the whole amount of subsidy shall become payable to Government forthwith with interest thereon at 8% calculated from the date of the payment by the Government of the first instalment

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Contd.----

of the loan.

16. The Loanee shall not assign his interest in the land or in the building or in this agreement to a third party without the previous consent in writing of the Government.

16. All disputes differences and questions which may at any time arise between the parties hereto their respective representatives or assigns touching or arising out of or in respect of these presents or the subject matter thereof the settlement of which is not otherwise hereinbefore expressly provided for shall be referred to the arbitration of the Secretary to the Governmentof India in the Ministry administering the subject matter of these presents or his nominee and the provisons of the Indian Arbitration Act, 1940, or any statutory modification or reenactment thereof for the time being in force shall apply and the decision of such Secretary or his nominee as the case may be shall be final and binding on the parties hereto.

IN WITNESS WHEREOF THE President of India has caused Shri.....in the Ministry of all the partners of the above mentioned Loanee the common seal of the above mentioned loanee Company firm have set their respective hands and the day and has been fixed hereunto affixed the year first above written.

Signed by Shri.....
in the Ministry of.....
for and on behalf of the
President of India in
presence of :

(1)

(2)

Signed by (1)

(2)

etc.

Partners of the.....
..... in the
presence of :

(1)

(2)

Common seal of the .....
.....Company Ltd.
fixed in the presence of
two of its Directors:

(1)

(2)

Witnesses (1)

(2)

STATE TELEGRAM EXPRESS.

FROM MORARJI DESAI
CHIEF MINISTER
BOMBAY.

To SARDAR SAVARAN SINGH
MINISTER FOR WORKS HOUSING AND SUPPLY
NEW DELHI.

REFERENCE WORKS AND HOUSING MINISTRY TELEGRAM NO. H-5A (6)/52 TO DOCTOR JIVRAJ MEHTA AND LETTER NO. H-5-A (6) 52 DATED ELEVENTH FEBRUARY REGARDING SUBSIDISED INDUSTRIAL HOUSING SCHEMES STOP PROPOSALS AS COMMUNICATED ARE ACCEPTABLE BUT HOPE SUBSIDY IS ALSO GIVEN AT THE SAME TIME AS LOAN IN FOUR EQUAL INSTALMENTS IN RESPECT OF BOMBAY TENEMENTS AND IN THREE EQUAL INSTALMENTS IN RESPCT OF AHMEDABAD TENEMENTS STOP THESE MODIFICATIONS ARE ESSENTIAL AS IN VIEW OF GREAT DEMANDS FOR FUNDS TO MEET SCARCITY CONDITIONS EXPENDING OVER A VERY LARGE PART OF THIS STATE OUR WAYS AND MEANS POSITION COULD NOT PERMIT LARGE FUNDS BEING USED UP IN TENEMENTS CONSTRUCTION THIS YEAR IN PREFERENCE TO PROVIDING FUNDS FOR RELIEF OF SCARCITY STOP IN THE CIRCUMSTANCES I HOPE YOU WILL AGREE TO MY REQUEST TO ENABLE US TO COMPLETE SUBSIDISED INDUSTRIAL HOUSING PROGRAMME BY MARCH 1954 AS PROPOSED

Assistant Secretary to the Government of Bombay
Public Works Department,
Bombay.

No. IHS 1152-H. Public Works Department,
Bombay Castle (Bombay No.1)
17th February 1953.

Copy, by post, in confirmation.

Assistant Secretary to the Govt. of Bom
Public Works Department.

V.D.
1/6.

No, IHS /1152 H. Public Works Department.

Bombay Castle (Bombay No. 1),

23rd February 1953.

From

Shri G.S. Padwal, B.Sc., B.E.,
Under Secretary to the Government of Bombay,
Public Works Department.

To

The Secretary to the Government of India,
Ministry of Works, Housing and Supply,
New Delhi.

Subject:- Industrial Housing.

.....

Sir,

With reference to the Government of India, Ministry of Works, Housing and Supply, letter No. [illegible] 5-A (6)/52 dated the 14th February 1953, on the above subject, I am directed to invite attention to telegram No. IHS / 1152, dated 17th February 1953, from Shri Morarji Desai, Chief Minister, Government of Bombay (copy attached for ready reference).

2. With reference to the concluding portion of para 4 of the Government of India's letter under reply, I am to invite attention to this Government letter No. 705/48/17633 H dated 14th June 1951, 705/48/45211 H, dated the 14th February 1952, and 705/48 G, dated the 6th October 1952, under which details as to how the loan of Rs.7.. lakhs has been utilised were communicated to the Government of India. Attention is also invited to this Government letter No. 705/48 [illegible], dated 11th February 1953, giving details of the Scheme (in progress) based on Rs.44 lakhs loan. Full account of these loans has already been given and the balance of Rs. 5 ½ lakhs only from Rs. 44 lakhs loan has been reported under this Government letter No.IHS/1152 G, dated dated the 10th January 1953. The Government of India may please be moved to issued early orders on the proposals

P.T.O.

contained in this Governments letters No. 705/48 G, dated 6th October 1952 and No. 705/48 H, dated the 11th February 1953.

Yours faithfully,

Under Secretary to the Governmentof Bombay,
Public Works Department.

D.A. Copy of telegram
referred to.

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Government of India

Ministry of Works, Housing and Supply.

.....

No. H.5.A 96)/52. Dated New Delhi, the 24the March, 1953.

From

Shri G. Jagathpathi, I.A.S.,

Under Secretary to the Government of India.

To

The Accountant General,

Central Revenue,

New Delhi.

Subject:- Subsidized Industrial Housing Scheme.

Sir,

In continuation of this Ministry's letter No. H.5.A. (6)/52, dated the 11th February, 1953 copy endorsed to you through the Ministry of Finance, on the above subject I am directed to say that Government of India authorised payment of a sum of Rs.7,50,937,/-(Rupees seven lakhs fifty thousand nine hundred and thirty seven only) immediately to the Secretary to the Government of Bombay, Public Works Department, being the first instalment of the loan of Rs.30,03,750/- . The exact date of payment may please be intimated to this Ministry.

2. The above amount is repayable in 25 annual equated instalments of principal and interest @ 4½% p.a.

Yours faithfully,

Under Secretary to the Government of India.

Copy with three spare copies forwarded to the Ministry of Finance (I. & C. Division) for necessary action. That Ministry concurred vide their U.O. Np- 2347-W/53 da ted 21st March 1953.

Copy also forwarded to :

(1) The Accountant General, Bombay.

P.T.O.

(2 The Secretary to the Government of Bombay, Public Works Department Bombay with reference to the discussions held at Delhi on the 20 th March 1953. The unspent balance out of the loans sanctioned under the old schemes ~~xxxx~~ (Industrial Housing) may please be refunded immediately.

Under Secretary to the Govt. of India.

Government of India,

Ministry of Works , Housing and Supply.

No. H.5. A(6) /52 Dated New Delhi, the 28th March 1953.

CORRIGENDUM

Subject:- Subsidised Industrial Housing Scheme.

For para 8 of this Ministry letter of even number dated 11th February 1953 on the above subject, kindly substitute the following:-

"The Subsidy and loan are debitable to the major Head "63-A. Extraordinary payments- Payments of Subsidies for Industrial Houing Scheme"and to head "Q - Loans and Advances by Central Govt. - Loans to State Governments (charges)," respectively The payments of loan will be accounted for centrally by the Accountant General, Central Revenues and the payments of subsidies will be adjustable in the Central Section of the Books of the Accountant General, Bombay.

(C. Jagathpati)
Under Secretary to the Government of India

To

The Secretary to the
Government of Bombay,
Public Works Department,
BOMBAY.

Copy together with sixspare copies forwarded to the Ministry of Finance (I. & C. Division) for communication to the Accounts Officers concerned.

P.T.O.

Copy also forwarded to :-

(1) The Accountant General, Central Revenues, New Delhi, with reference to his letter No. LN-4-28-3708, dated the 20th March, 1953. Sanction for payment of the first instalment of loan has already be n accorded vide this Ministry letter of even number dated the 24th March, 1953.

(2) Ministry of Labour (Shri Patnaik)

(3) Planning Commission (Mr. A.Zaman).

(G. Jagathpathi)
Under Secretary to the Govt. of India.

GOVERNMENT OF INDIA.

MINISTRY OF WORKS, HOUSING & SUPPLY.

No. H-1 (16) /52 Dated New Delhi, the 15th April, '53.

From,

Shri G. Jagathpathi, I.A.S.

Under Secretary to the Government of India.

To

The Secretary to the Government of Bombay,

Public Works Department,

BOMBAY.

Subject :- Industrial Housing.

Sir,

In continuation of this Ministry's letter of even number dated the 7th March,1953, and with reference to the discussions held here at Delhi with Shri Dravid regarding the cost of the tenements to be constructed by you against the loan of Rs.44 lakhs sanctioned in the year 1951-52, I am directed to say that the Governmentof India regret their inability to agree to the inclusion therein of the cost of lan beneath the tenements constructed earlier against the loan of Rs.75 lakhs. Shri Dravid also agreed, at the discissuins not to press the inclusion of this item costing Rs. 7,25,052/. This would reduce the total cost of your scheme from Rs. 58,09,858/- (as estimated by you) to Rs.50,84,806/- . The amount of Central Governments @ two third of this amount should be Rs.33,89,870/- while the loan actually advanced to your Government is Rs.44,00,000/- You are,,therefore, requested kindly to refund immediately the balance of Rs. 10,10,130/- -(Rupees ten lakhs, ten thousand one hundred and thirty only.)

This may please be treated as Immediate. The date of refund may please be intimated to this Ministry in due course.

Yours faithfully,

(G. Jagathpathi)

Under Secretary to the Government of India.

D.
6.

Additional tenements alletted to industrial workers.

Type of tenement.	No.	Captial cost per tenement exlding cost of land which was given free.	Total cost.
I Nakhial. Ahmedabad-			
a) B-2 Room type	4	10453»	41,812
b) C-2-Three room type	1	13026»	13,026
II Assarwa. Ahmedabad.			
Two room type..	14	4990	68,860
	19		1,24,698

	B-2 type	C-2 type	Same as that of similar tenements mentioned in state ment II accompanyi g Government letter, Labour and Housi g Departement, No. 705/48/17633 -E, dated the 14-6-51 vide Government Letter Labour and Housing Department No. 705/48/48811-E, dated the 14-2-52.
cost of construction.	9503 per tenement.	11842 per tenement.	
plus cost of Esta blishment capitalised at 10%	950	1184	
	Rs. 10453	Rs. 13026	

Same as that for similar tenements mentioned in Sta tement III ac ompanyi g Government Letter, Labour and Housing Department, No. 705/48/17633-E, dated the 14-6-51.

X.D.
22/6.

GOVERNMENT OF INDIA
MINISTRY OF WORKS HOUSING AND SUPPLY.

No. H-1 (15)/52 New Delhi, dated the 26th June 1953.

From

Shri C. Jagathpathi, IAS.,
Under Secretary to the Government of India,

To

The Secretary to the Government of Bombay,
Public Works Department,
Bombay.

Subject :- Industrial Housing Scheme.

Sir,

With reference to para 1 of your letter No. I H S 1152/53202 H, dated the 19th May 1953, on the above subject, I am directed to say that Government of India have no objection to the proposed adjustment of the unspent balance of Rs.10,10,130/- (out of the loan of Rs.44 lakhs sanctioned to you during the year 1951-52) against the loan instalment that will become next due from the Government of India against the loan of Rs.30,03,780 sanctioned under the Subsidised Scheme (Industrial Housing). These figures are subject to revision on the basis of the actuals on completion of the tenements.

The questions raised in other paras of your letter under reference are under consideration and a further communication will follow in due course.

Yours faithfully,

(C. Jagathpathi).
Under Secretary to the Government of India.

Copy with three spare copies forwarded for information to the Ministry of Finance. Their U. O. No. 4356-W/53, dated the 15th June 1953 refers.

P.T.O.

Copy also forwarded to (i) the Accountant General,
Bombay.
(ii) the Accountant General,
Central Revenues, New Delhi.
(iii) Budget Branch Ministry of
Works Housing Supply.

(G. Jagathpathi).

Under Secretary to the Govt. of India.

GOVERNMENT OF INDIA

MINISTRY OF WORKS, HOUSING & SUPPLY.

No. H. 5 A (6) /53.-III New Delhi, October 28,1953.

From

Shri G. Jagathpathi, I.A.S.,

Under Secretary to the Government of India,

To

The Secretary to the Government of Bombay,

Public Works Department,

Bombay Castle,

Bombay - 1.

Subject :- Subsidised Housing Scheme for Industrial Workers

Sir,

I am directed to refer to your letter No. IHS, 1152/91504 H, dated 20.10.1953 and to state that there is no objection to the construction of 18 additional tenements on Survey Nos. 68-71 Chembur raising the number of tenements from 450 to 468, it being understood that the Government of India will not have to bear any extra expenditure. It is also pointed out that the loan and subsidy sanctioned vide this Ministry letter No. H.S. A (6) /52, dated 11.2.1953 in respect of the 900 tenements at Bombay on the basis of Rs.4,500/- per unit may have to be revised since the actual cost will be lower than the maximum accepted. The details of the actual cost per tenement may be intimated in due course to enable this Ministry to make necessary adjustments.

Yours faithfully,

(G. Jagathpathi).

Under Secre-tary to the Government of India.

K. D.
8/6.

MINISTRY OF WORKS, HOUSING & SUPPLY

No. H. 1 (66) /53 Dated New Delhi the 5th Feb. '54.

From

Shri G. Jagathpathi, I.A.S.,

Under Secretary to the Government of India.

To

The Secretary to the Government of Bombay,

Public Works Department,

Bombay.

Subject:- Industrial Housing Scheme. 1949.

Sir,

With reference to the correspondence resting with your letter No. 7 667/33/85622/-II/32855-H, dated the 22nd May, 1953 on the above subject I am directed to say that Govt. of India agree that it is entirely a matter for the State Govt. to devise an appropriated method of recovery of their investment of one third of the capital cost. There is also no objection to your Govt. contributing to the sinking fund on the basis of the Govt. of India loan only, provided that the annual contribution to the fund is so determined that it would, together with interest at 3% p.a. thereon enable the central loan to be repaid within the stipulated period of 25 years. This may please be settled with Accountant General Bombay.

2. It is regretted that Govt. of India cannot agree to your request that sinking fund contributions should be investible also in Bombay Govt. secruties. They should be invested only in Central Government securities.

3. Govt. of India also agree to the proposal contained in para 2 of your letter No. IHS 1152/53202-H, dated the 19th May, 1953, about the inclusion of the cost of 19 additional tenements in the scheme based on the central loan of Rs.75 lakhs provided that

that these ...

tenements for industrial workers. This would leave with your Govt. out of the total loan of Rs. 75 lakhs an unspent balance of Rs. 7332/.

4. As regards the question of adjustment of the cost of one additional tenement at Worli, 'G' Plot against the loan of Rs. 75 lakhs as a request in your Govt, letter No1 1115/46/120792 -H, dated the 2nd November 1953, you are requested to give an exact split up of the cost of the tenements in question before the proposal is considered further in this Ministry.

Yours faithfully,

Sd/-

(G. Jagathpathi)

Under Secretary to the Government of India.

Copy for information and necessary action to Accountant General Bombay with reference to the correspondence resting with his letter No. B-Loan/27 04, dated 6-1-53.

Sd/-

(S. Jagathpathi)

Under Secretary to the Government of India.

X.D.
22/6.